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UNITED STATES DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE



GUIDELINE TRANSMITTAL SHEET

GUIDELINE NUMBER NPS-47	TITLE GOVERNMENT PROPERTY IN POSSESSION OF CONTRACTORS	RELEASE NO. 1
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Explanation of material transmitted:

Transmitted herewith is the first issuance of the new National Park Service Guideline NPS-47 Government Property in Possession of Contractors.

The Guideline provides procedures for managing and accounting for Government property in possession of NPS contractors.

This Guideline must be incorporated by reference in all National Park Service contracts which provide for the use of Government property.

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**GOVERNMENT PROPERTY
IN
POSSESSION OF CONTRACTORS**

NPS - 47



Release No. 1

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ATTACHMENT 1 Disposal Condition Codes

INTRODUCTION

1. General

a. It is the general policy of the National Park Service (NPS) to contract with suppliers who are able to perform the requirements of a contract without being furnished property by the Government. This policy has been established to prevent NPS from assuming any responsibility for the performance of work under a contract which rightly vests in the contractor and to preclude the possibility of creating an unfair competitive advantage for one prospective contractor over another. However circumstances may arise in which the interests of the Government would be best served by furnishing property to contractors such as in a case where the property is necessary to contract performance, or when furnishing Government property will result in substantial cost savings to the Government.

b. This Guideline sets forth the basic requirements to be followed by contractors in establishing and maintaining control over Government property provided pursuant to the terms of contracts with the National Park Service. To the extent of any inconsistency between this Guideline and the terms of the contract under which the Government property is provided, the terms of the contract will govern. The contractor shall be directly responsible for and accountable for all Government property in accordance with the provisions of the contract, including property provided under such contract which may be in the possession or control of a subcontractor.

c. Pursuant to the terms of a contract, the Government may acquire a lien or title to property upon the making of partial, advance, or progress payments to the contractor. Property to which the Government has acquired a lien or title solely as a result of such payments will not be subject to the provisions of this Guideline. When lien or title is acquired solely as a result of such payments, the provisions of the partial, advance, or progress payments clauses will apply, including any modifications of such clauses as may be contained in the contract.

d. The contractor shall establish and maintain a system (in accordance with the provisions of this Guideline) to control, protect, preserve, and maintain all Government property. This system shall be reviewed and, if satisfactory, approved in writing by the Contracting Officer. The contractor shall maintain and make available such records as are required by Chapter 3 of this Guideline and must account for all Government property until relieved of responsibility thereof in accordance with Chapter 2 of this Guideline. Liability for loss, damage, or excessive use of property in a given instance will necessarily depend upon all the circumstances surrounding the particular case and must be considered and determined in accordance with the provisions of the contract. The contractor shall furnish all necessary data to substantiate any request for discharge from responsibility.

e. The contractor shall require any of his subcontractors who are provided Government property under the prime contract to comply with the provisions of this Guideline. Procedures for assuring sub-contractor compliance shall be included in the contractor's approved property control system.

f. In the event any portion of the contractor's property control system is found to be inadequate upon review by the Contracting Officer, any necessary corrective action shall be accomplished by the contractor prior to approval of the system.

g. When Government property is disclosed to be in possession or control of the contractor but not provided in accordance with the provisions of any contract, the contractor shall, as promptly as possible, (1) record such property according to the established property control procedure, and (2) furnish the Contracting Officer with all known circumstances and factual data pertaining to its receipt and a statement as to whether there is a need for retention of such property.

h. The Contractor shall report to the Contracting Officer all Government property in excess of the amounts needed to complete full performance under the contract pursuant to which it was provided, or other existing contracts which authorize the use of such property, within 30 days after disclosure of the condition.

2. Definitions

As used in this Guideline:

a. "Accessory item" means an item which facilitates or enhances the operation of equipment but which is not essential for its operation, such as remote control devices.

b. "Auxiliary item" means an item without which the basic unit of equipment cannot operate, such as motors for pumps and machine tools.

c. "Capital property" means real property and capitalized equipment.

d. "Capitalized equipment" means personal property of a nonexpendable nature having a unit acquisition cost of \$300 or more.

e. "Custodial records" means written memoranda or identifying checks of any description or type used to control items issued from tool rooms, stockrooms, etc., such as requisitions, issues, hand receipts, tool checks, stock record books, etc.

f. "Discrepancies incident to shipment" means all deficiencies incident to shipment of Government property to or from a contractor's facility whereby differences exist between the property purported to have been shipped and the property actually received. Such deficiencies include, but are not limited to, loss, damage, destruction, improper status and condition coding, error in identity or classification, and improper consignment.

g. "Educational or other nonprofit organization" means any corporation, foundation, trust, or other institution operated for scientific or educational purposes, not organized for profit, where no part of the net earnings inures to the profit of any private shareholder or individual, and which has been held to be tax exempt under the provisions of Section 501 of the Internal Revenue Code of 1954.

h. "Government property" means all property, both real and personal, owned by or leased to the Government or acquired by the Government under the terms of a contract. However, the term "Government property" does not include property to which the

Government has acquired a lien or title solely as a result of partial, advance, or progress payments. Government property includes both Government-furnished property and contractor-acquired property as defined below:

(1) Government-furnished property is property in the possession of, or acquired directly by, the Government and subsequently delivered or otherwise made available to the contractor.

(2) Contractor-acquired property is property procured or otherwise provided by the contractor for the performance of a contract, title to which is vested in the Government.

i. "Property record" means a separate card for, or document utilized, to account for one item of property.

j. "Material" means property which may be incorporated into or attached to an end item to be delivered under a contract or which may be consumed or expended in the performance of a contract. It includes, but is not limited to, raw and processed material, parts, components, assemblies, and small tools and supplies which may be consumed in normal use in the performance of a contract.

k. "Noncapitalized equipment" means personal property of a nonexpendable nature having a unit acquisition cost of less than \$300 except for sensitive items included in the Capitalized Personal Property System User's Guide.

l. "Property account" means the official records of the Government property provided to a contractor which are established and maintained under the provisions of this Guideline. Separate property accounts will be maintained on an individual contract basis.

m. "Provide" as used in the context of such phrases as "Government property provided to the contractor" and "Government-provided property," means either to furnish, as in "Government-furnished property," or to acquire, as in "contractor-acquired property."

n. "Real property" for purposes of accounting classification means:

- (1) land rights therein;
- (2) ground improvements;
- (3) utility distribution systems;
- (4) buildings; and
- (5) structures.

o. "Salvage" means property which, because of its worn, damaged, deteriorated, or incomplete condition, or specialized nature, has no reasonable prospect of sale or use as serviceable property without major repairs or alterations, but which has some value in excess of its scrap value.

p. "Scrap" means property that has no reasonable prospect of being sold except for the recovery value of its basic material content.

q. "Stock record" means a perpetual inventory form of record which shows, by nomenclature, the quantities received and issued and the balances on hand.

r. "Utility distribution system" means a system (including distribution and transmission lines, substations, and installed equipment forming an integral part of the system), by which gas, water, steam, electricity, sewage, or other utility services are transmitted between:

- (1) outside of the building or structure in which the services are used and
- (2) the point of origin or disposal, or the connection with some other system.

3. Segregation or Commingling of Government Property and Contractor's Property.

a. Ordinarily, Government property, particularly material, should be segregated and kept physically separate from contractor-owned property at all times. However, when advantageous to the Government and consistent with the contractor's authority to use such property, the property may be commingled:

(1) When the Government property is clearly identified and recorded as Government property; or

(2) When scrap of uniform nature is produced from both Government-owned and contractor-owned materials and physical segregation is impracticable, or when scrap produced from Government-owned materials is significant in consideration of the cost of segregation and control; or

(3) When otherwise approved by the Contracting Officer.

4. Written Property Control Procedures.

It is normal contractor practice to provide for the control of property by means of written procedures that communicate the organization's standards, techniques, and instructions to operational personnel for uniform application. However, depending on the number of contractor employees and the nature, quantity, and value of the property, a contractor may not have a need for written procedures for effective management of Government property. Immediately after the award of an initial contract involving property, the contractor shall forward to the Contracting Officer the name, title, address, and telephone number of the contractor's representative to contact for review and discussion of the proposed property control system. If the Contracting Officer determines that written property control procedures are not required, the contractor will be so advised.

5. Audit of Property Control System and Accounts.

The contractor's Government property control system and accounts will be audited by the Government as frequently as conditions warrant. Audits may take place at any time during the performance of the contract, upon completion or termination of the contract, or at any time thereafter, during the period the contractor is required to retain such records. The contractor shall make all such records, including correspondence related thereto, available to the auditors.

CONTRACTOR'S RESPONSIBILITY

1. General

This chapter covers to the extent not otherwise provided in the contract: (1) the duties and responsibilities of the contractor with respect to Government property; (2) the obligations of the contractor with respect to the control of Government property, both physically and administratively; and (3) the liability of the contractor for Government property lost, damaged, or destroyed, or for which the contractor is otherwise unable to account.

2. Assumption of Responsibility

A contractor is responsible for all Government property in his possession or control in accordance with the terms of the contract, including property provided under such contract which may be in the possession or control of a subcontractor. Sources from which Government property may be furnished or acquired are as follows:

a. Shipments from Government Activities or Other Sources. Government property may be shipped to a contractor from agencies of Department of the Interior, other Government activities, other contractors, or suppliers. For the purpose of this Guideline, the contractor becomes responsible for such property upon delivery of the property into his custody or control. The Government will furnish the contractor with copies of documents necessary to permit the contractor's property records to accurately reflect the transaction.

b. Direct Purchase by the Contractor. For purposes of property control within the scope of this Guideline, it will be considered that property purchased by the contractor, for which reimbursement is to be requested, becomes Government property upon its receipt by the contractor. However, this provision will not be deemed to alter or modify contractual provisions relating to passage of title. Direct purchases will be subject to a determination by the Contracting Officer that the items are allocable to the contract involved and are reasonably necessary therefor.

c. Withdrawal from Contractor-Owned Stores. For purposes of property control, within the scope of this Guideline, property withdrawn from contractor-owned stores, for direct charge to the contract, will be considered Government property at the time of approval of the claim for reimbursement, or at the time of issuance for use of such property for the performance of the contract, whichever is earlier.

d. Contract Provisions, Termination, Contract Changes. Pursuant to specific contractual provisions or as a result of termination of a contract, or change orders issued under a contract, the Government may acquire title to property. For purposes of property control, such property will, unless otherwise provided by the contract, be considered Government property upon acceptance of title by the Government.

3. Evidence of Receipt of Government Property

Immediately upon receipt of any Government-furnished property, the contractor shall sign and return the Government transfer document (DI-104 Transfer Document) to the Contracting Officer. For contractor-acquired capital property, the contractor shall submit reports in accordance with paragraph 4 below.

4. Report of Property Purchased or Fabricated.

As a condition to reimbursement of costs incurred in the purchase or fabrication of capital property, the contractor shall submit itemized reports of such purchases or fabrications. Each item shall be adequately described, including unit cost. Reports shall be provided by the contractor not later than the time he submits his application for payment (public voucher) for the property. Upon request of the Government, the contractor shall submit supporting data for any material cost of noncapitalized equipment included in the voucher.

5. Discrepancies Incident to Shipment

a. Government-Furnished Property. When overages, shortages, or damages are discovered upon receipt of Government-furnished property, the contractor shall provide a statement of the condition and the apparent causes to the Contracting Officer. When the quantity or description of property received by a contractor differs from the quantity or description denoted as shipped on the Government transfer document, only that quantity or property actually received shall be recorded on the official records of the contractor.

b. Contractor-Acquired Property. The contractor shall take all actions necessary to adjust shortages, overages, or damages in shipment of contractor-acquired property from a vendor or supplier except in those instances where the shipment was moved via Government Bill of Lading and carrier liability is indicated. In the latter event, the contractor shall report the instance in accordance with paragraph 5a. above.

6. Relief from Responsibility

Subject to specific instructions of the Contracting Officer, and unless otherwise provided for in the contract, the contractor will be relieved of his property control responsibility for Government property by the following:

a. Consumption of Property in the Performance of the Contract To the extent that the Contracting Officer determines that property has been consumed or expended for proper purpose and in reasonable amounts in the performance of the contract;

b. Shipment of Government Property from a Contractor's Facility. When Government property is shipped from the contractor's facility (except when shipment is to a subcontractor or other location of the contractor) pursuant to the instructions of the Contracting Officer;

c. Retention by the Contractor. When the contractor retains, with Contracting Officer's approval, Government property for which the Government has received consideration;

d. Sale of Property. For Government property sold pursuant to instructions of the Contracting Officer, provided that proceeds from such sale have been received by or credited to the Government;

e. Determination by the Contracting Officer. For Government property which is lost, damaged, destroyed or consumed in excess of that normally anticipated in a manufacturing, processing, or research operation, and for which the Contracting Officer has determined the extent of liability, if any, of the contractor; provided that:

(1) such determination is furnished to the contractor in writing;

(2) the Government has been reimbursed where required by the determination; and

(3) proper disposition of property rendered unserviceable by damage has been accomplished, and appropriate cross-reference is recorded on the determination as to the shipping documents or other documents evidencing disposal; and

f. Transfer of Title. When title to equipment has been transferred to the contractor in accordance with 42 U.S.C. 1892 and thereby ceases to be Government property. However, certain obligations attach to contractor-owned property acquired with contract funds as set forth in Chapter 7 of this Guideline.

7. Contractor's Liability

a. Property Discrepancies. Subject to the terms of the contract, the contractor may be liable when shortages of Government property are disclosed or when Government property is lost, damaged, or destroyed as determined by a Board of Survey, or when there is evidence of unreasonable wear or deterioration or unjustifiable consumption in the performance of the contract.

b. Report Requirement. The contractor shall report all cases of loss, damage, or destruction of Government property in his possession or control to the Contracting Officer as soon as such facts become known or when requested by the Contracting Officer. The report shall contain all factual data as to the circumstances surrounding such loss, damage, or destruction. A similar report shall be furnished when completed products or end items are lost, damaged, or destroyed while such property is in the possession or control of the contractor. Any loss that may be due to theft must be reported immediately to the local police and the nearest field office of the Federal Bureau of Investigation by the contractor or subcontractor.

c. Subcontractor's Liability. The contractor shall require any of his subcontractors having Government property in their possession or control, which is accountable under the contract, to report to him all instances of loss, damage, or destruction of such Government property. Further procedures shall be in accordance with that prescribed in paragraphs 7a. and 7b. above.

RECORDS OF GOVERNMENT PROPERTY

1. General

This chapter establishes minimum requirements for records to be established and maintained by the contractor for Government property in his possession or control.

a. Policy. It is the Government's policy to rely upon contractor property control records and to designate and use such records as the official contract records unless an exception has been authorized due to special circumstances. Records of Government property established and maintained by the contractor pursuant to the terms of the contract shall be designated as the official contract property records except under the circumstances set forth in paragraph (1) below. Contractors shall not be required to submit duplicate official records to National Park Service activities, nor shall duplicate official records be maintained by NPS activities. The contractor shall establish and maintain adequate control records, either manual or automated, in accordance with the requirements of this Guideline, for all Government property provided under a contract, including property provided under such contract as may be in the possession or control of a subcontractor. When the subcontractor has a property control system approved by the Government, for Government property provided under the subcontractor's own prime contracts, the contractor will utilize records created and maintained in accordance with such approved system unless otherwise directed by the Contracting Officer.

(1) The official accountable property records for Government property provided under the terms of a support service contract shall be retained by the Government. NPS shall maintain these records in the same manner as all other Government property. However, NPS activities shall provide the contractor a record of all items of property including copies of all transaction documents used to effect changes to the records. The contractor shall maintain this record and transaction documentation in such a condition that at any stage of completion of work under the contract, the status of the property including location, utilization and identification may be readily ascertained.

b. Financial Control System. The contractor's property control system shall provide financial accounts for Government property (capital and noncapital) in the contractor's possession or control, as prescribed in paragraph 10 of this Chapter. The system shall be subject to internal control standards and be supported by property records in the manner described in this Chapter.

c. Property Records. The official records shall be kept in such condition that at any stage of completion of the work under a contract the status of Government property can be readily ascertained.

(1) Separate property records for each contract shall be maintained. Contractors shall furnish the Contracting Officer with the name and title of the individual who will have cognizance over all Government property in the contractor's possession and who will be responsible for maintenance of property records.

(2) Property records of the same type which would have been established for components if acquired separately shall be established for such usable components which are permanently removed from items of Government property, as a result of modification, or otherwise.

(3) The contractor's property control system shall contain an adequate locator system or techniques to permit the location of any item of Government property within a reasonable period of time after request therefor.

2. Pricing

Except as provided in paragraph "a" below, the contractor's property control system shall contain the unit acquisition price for each item of Government property recorded therein. It is a recognized practice of many contractors to record the unit acquisition price of property on other than quantitative inventory records, thus requiring the use of supplementary records to ascertain unit prices. Under such circumstances, the supplementary records containing such information shall be identified and recognized as a portion of the official property records.

a. Contractor-Acquired and Contractor-Fabricated Property.

The unit acquisition price of contractor-acquired and contractor-fabricated property shall be determined in accordance with the system established by the contractor in conformance with generally accepted accounting principles and consistently applied. Generally, it is desired that separate unit prices be applied to work-in-progress items fabricated or acquired by the contractor.

However, if the contractor's accounting system is acceptable and if the maintenance of detailed cost records results in excessive accounting cost or is otherwise impracticable considering all circumstances, group pricing may be used for work-in-progress inventory. Processed material, fabricated parts, components, assemblies, etc., charged to the contractor's work-in-progress inventory, including items in temporary storage while awaiting processing, may be considered as work-in-progress for the purpose of compliance with this requirement. Nothing in the foregoing lessens the requirement for quantitative property controls for work-in-progress necessary for the proper protection of the Government's interest.

b. Government-Furnished Property. The unit acquisition price of Government-furnished property will be determined by the Government and furnished to the contractor. Transportation and installation costs will not be considered as part of the unit price for this purpose. Normally, the unit price of Government-furnished property will be provided on the transfer document covering shipment of the property to the contractor. In the event the unit price is not provided on the document, action will be taken through the Contracting Officer to obtain the information.

3. Records of Materials

All Government material furnished to the contractor, as well as other material to which title has passed to the Government by reason of allocation from contractor-owned stores or purchase by the contractor for direct charge to a Government contract or otherwise, shall be recorded in accordance with the contractor's property control system, as follows:

a. Material Issued Directly Upon Receipt.

(1) Fixed-Price Contracts. In the case of Government-furnished material which is issued directly by the contractor upon receipt so as to be considered consumed under the contract, the documents evidencing receipt and issue maintained by the contractor will be accepted as property control records.

(2) Cost-Type Contracts. For material, whether Government-furnished or contractor-acquired, issued by the contractor directly so as to be considered consumed under the contract the Government invoices contractor's purchase documents, or other documentary evidence of acquisition and issue will be accepted as adequate property records.

b. Material Maintained in Stocks. For material maintained by the contractor in stocks or stores, the contractor's property control system shall be such as to provide the following information:

- (1) contract number;
- (2) nomenclature or description of item (including National Stock Number when available);
- (3) quantity received;
- (4) quantity issued;
- (5) balance on hand;
- (6) posting reference;
- (7) date received or issued;
- (8) unit price; and
- (9) disposition action taken.

c. Consolidated Stock Record. When a contractor has more than one Government contract under which Government material is provided, a consolidated record for material may be authorized by the Contracting Officer, provided, the total quantity of any item is allocated to each contract by contract number and each requisition of material from contractor-owned stores is charged to the contract on which the material is to be used. The supporting document or issue document shall show the contract number to which the issue is charged.

d. Custodial Records. Custodial records shall be maintained for sensitive items tool crib items, guard force items, protective clothing, and other items for the use of individuals in the performance of their work under the contract.

4. Records of Noncapitalized Equipment

a. Except where individual records are necessary for effective control, calibration, or maintenance, summary stock records may be maintained for noncapitalized equipment. The contractor's property control system shall be such as to provide the following minimum information:

- (1) contract number;
- (2) noun name of the item;
- (3) manufacturer and model/part number (including National Stock Number when available);
- (4) quantity received;
- (5) balance on hand;
- (6) posting reference and date of transaction;
- (7) unit price;
- (8) location; and
- (9) disposition.

b. In addition, where appropriate as determined by the Contracting Officer, the serial number and/or Government identification number for each item shall be recorded in a permanent manner in the property records and, upon disposition, lined out or otherwise deleted from the record.

5. Records of Capitalized Equipment

a. Property Records. The contractor shall maintain individual records (manual or automated) of each item of Government-owned capitalized equipment which will provide the following minimum information:

- (1) Government identification property number and tag number if applicable;
- (2) manufacturer's model/part number (including National Stock Number when available);
- (3) manufacturer's serial number and year of manufacture
- (4) name of the equipment manufacturer;
- (5) noun name of the item;
- (6) acquisition document number and date;
- (7) location;
- (8) disposition document reference and date;
- (9) contract number;
- (10) unit price (unit price will be reduced when accessory and auxiliary items are permanently separated from the basic item of capitalized equipment); and
- (11) date acquired.

b. Record of Accessory and Auxiliary Equipment. Accessory and auxiliary equipment which is attached to or otherwise a part of an item of capitalized equipment or has been acquired for use in connection with a specific item shall be recorded on the record of the item of capitalized equipment. In the event the accessory or auxiliary item is not attached to, a part of, or acquired for use with a specific item of capitalized equipment, it shall be recorded as indicated in paragraph 4 or paragraph 5a of this Chapter.

6. Records of Real Property

The contractor shall maintain a continuous itemized record of the description, location, acquisition cost, and disposition of all Government real property including unimproved real property, all alterations, and all construction, whether acquired by purchase, lease or otherwise. The foregoing records shall be complete, show the original cost of the property and improvements and the cost of changes and additions thereto, and be appropriately classified as indicated in paragraph 5 of this Chapter.

7. Records of Scrap and Salvage

Unless the Contracting Officer has determined that such records are not necessary, the contractor shall maintain records of all scrap and salvage generated.

a. Records of Scrap. The contractor's property control system shall be such as to provide the following minimum information:

- (1) contract number, if practicable;
- (2) scrap classification (material content);
- (3) quantity on hand;
- (4) unit of measure;
- (5) posting reference and date of transaction; and
- (6) disposition.

b. Records of Salvage. The contractor's property control system shall be such as to provide the following minimum information:

- (1) contract number, if practicable;
- (2) nomenclature or description or item (including National Stock Number, if available);
- (3) quantity on hand;
- (4) posting reference and date of transaction; and
- (5) disposition.

8. Records of Related Data and Information

The contractor shall maintain property control and accountability in accordance with sound business practice with respect to manufacturing or assemble drawing, installations, operation, repair, or maintenance instructions, or other similar data and information provided to the contractor by the Government. Other requirements set forth in this Guideline are not applicable to such property unless specified in the contract or required by the Contracting Officer.

9. Records of Completed Products

The contractor shall maintain a record of all completed products produced under the contract as follows:

a. When there is not any lapse of time between Government inspection and acceptance of the completed products and shipment from the contractor's facility, the records shall, as a minimum, consist of a summary of quantities accepted or shipped. When end items are accepted by the Government and stored with the contractor awaiting shipment, the record shall identify quantities stored, location, and disposition action.

b. On contracts which provide that completed products are to be retained by the contractor for further use under the contract, or other contracts, such items shall be considered Government-furnished property, upon acceptance, and shall be recorded as prescribed in this Chapter.

c. When completed products are returned to a contractor under the terms of a warranty clause, the contractor shall, as a minimum, maintain a record by contract setting forth a description of the items involved, quantities received and returned to the Government, and such other pertinent data as may be required to permit determination that a proper accounting for all property has been made.

10. Financial Control Accounts and Reports

a. Control System. The contractor's property control system shall be such as to provide at any time for each contract the dollar amount of Government property for which he is accountable in the following classifications:

- (1) real property;
- (2) capitalized equipment;
- (3) noncapitalized equipment; and
- (4) material maintained in stocks.

The contractor's accounts shall be susceptible to reconciliation in totals and subtotals as to whether contractor-acquired or Government-furnished.

b. Financial Property Reports. The contractor shall prepare a report as of September 30 each year, for each contract, showing the dollar amount of Government real property and capitalized equipment in the possession of the contractor and his subcontractors. Reports shall be prepared in the format shown below and shall be furnished to the Contracting Officer not later than November 15 each year. Subcontract reports shall be consolidated with prime contract reports. The contractor shall certify that the reports have been reconciled and are in balance with the contract property records. If specifically requested by the Contracting Officer, the contractor shall submit similar reports for Government noncapitalized equipment and material maintained in stocks.

<u>*Real</u>	<u>Capitalized</u>	
<u>Property(\$)</u>	<u>Equipment(\$)</u>	<u>Total(\$)</u>

Balance Beginning of Period:

Acquisitions During Period

Government-Furnished:

Contractor-Acquired:

Dispositions During Period

Government-Furnished:

Contractor-Acquired:

Balance End of Period:

*Values shall be rounded to the nearest dollar.

PROPERTY IDENTIFICATION

1. General

This part establishes minimum requirements for the identification and marking of Government property in the possession or control of the contractor. The contractor shall identify and record all Government property promptly upon receipt, except as may be exempted by this part, and it shall remain so identified. Assigned Government property numbers shall be recorded on all applicable transfer documents, receiving documents, shipping documents, disposal documents, and any other documents pertaining to the property control system. Such markings shall be removed or obliterated from the property involved when Government ownership is terminated.

2. Material and Noncapitalized Equipment

a. All Government material and noncapitalized equipment shall be identified as Government property except in those cases where:

(1) material or noncapitalized equipment of the same type at the same location is not owned by the contractor, his employees, or other contracting agencies;

(2) adequate physical control is maintained over sensitive items, tool crib items, guard force items, protective clothing, and other items issued for use by individuals in the performance of their work under the contract;

(3) property is of bulk type or by its size or general nature of packing or handling precludes adequate markings; or

(4) the property is segregated and kept physically separate from contractor-owned property at all times.

3. Capitalized Equipment

a. Equipment Identification. Unless already marked in compliance with these instructions, all Government capitalized equipment shall be marked by the contractor with the Government property number in accordance with paragraph 1 above, except: when the size or nature of the equipment makes it impracticable, or the equipment is accessory or auxiliary and attached to or

otherwise a part of an item of capitalized equipment and is required for its normal operations, in which case such item shall be entered and described on the record of the equipment to which it is attached or of which it is otherwise a part. Identification shall be effected by affixing a numbered decal direct to the equipment, or, when practicality dictates, by using indelible ink, acid, or electric etch, steel dies, or any other legible, permanent, conspicuous, and tamper-proof method which will identify the equipment with the Government property number assigned.

b. Position of Markings or Identification. Identification shall be affixed on the main body of the item, not on a removable part. For practical purposes, identification should be placed where it is conspicuous and readily visible without requiring the item to be moved and where it will not interfere with the functioning, especially if it is a sensitive instrument. If the manufacturer's identification plate or label is in a readily accessible position, a position immediately above or below it is preferable to any other.

PHYSICAL INVENTORIES

1. General

This establishes minimum requirements for the physical inventory of Government property in the possession or control of the contractor.

2. Annual Inventories

The contractor shall perform an annual physical inventory of the following categories of Government property in his possession or control and shall require such inventories of any subcontractors that are in possession of Government property provided under the contract: (1) capital equipment; (2) noncapitalized equipment; and (3) material maintained in stocks. The contractor's procedures for the performance of annual physical inventories constitute a necessary part of the contractor's property control system. For the purposes of this Guideline, inventory consists of physical contact, tagging or marking, describing recording and reporting the property involved, and reconciling the inventory results with the property records.

3. Reporting Results of Annual Inventories

a. The contractor shall promptly submit to the Contracting Officer information as follows:

(1) A list on both a quantitative and monetary basis of all discrepancies disclosed by the inventory in each category of Government property;

(2) A signed statement that physical inventory of Government property under the contract was completed on a specified date and that the contractor's official property records were found to be in agreement with the physical inventory except for the discrepancies noted; and

(3) If specifically requested by the Contracting Officer, a list of all items of capital property.

4. Inventories Upon Termination or Completion

Immediately upon termination or completion of a contract, the contractor shall perform a physical inventory adequate for disposal purposes of all Government property applicable to the terminated or completed contract. Further, the contractor shall cause each subcontractor to perform a physical inventory adequate for disposal purposes of all Government property in the subcontractor's possession or control which is applicable to the terminated or completed contract. Within 30 days after the contract's completion or termination, unless the Contracting Officer specifically approves an extension of time, the prime contractor shall submit a final inventory of Government property (including subcontractor property) in the form and detail as prescribed below:

a. Form. Separate reports are required for Government-furnished property and for contractor-acquired property and for each of the following property categories:

- (1) Real Property;
- (2) Capitalized Equipment
- (3) Noncapitalized Equipment;
- (4) Materials;
- (5) Salvage; and
- (6) Scrap.

b. Details Required. Each item of capital property must be completely identified with sufficient detail to permit verification by reference to the covering reimbursement voucher or (if furnished by the Government) transfer shipping, or other documents. To the extent to which they apply, the following particulars are required for all items:

- (1) Government property number;
- (2) Make, model, type serial number, and National Stock Number when available;
- (3) Commercial description, adequate for screening and disposal purposes;

- (4) Quantity;
- (5) Cost;
- (6) Condition (use codes listed in Attachment A of this Guideline; and
- (7) Location (contractor's facility or other site).

c. Copies Required. Three copies of the inventory reports shall be submitted to the Contracting Officer.

d. Certification. The following certification signed by the contractor or an authorized official shall accompany each copy of the inventory schedules:

I do hereby certify, as (Title) of
(Name of Contractor) that the attached inventory reports are complete and correctly list and describe all items of property furnished to the contractor, or for which the contractor has been or will be reimbursed by the Government, for use in the performance of Contract No. _____, which as of this date have not been consumed in performance of this contract; and that I will immediately notify the Contracting Officer of any changes affecting these inventory reports at any time prior to final disposition of the inventory.

/s/ _____

Date _____

e. Disposal of Property. Disposal of property will be directed by the Contracting Officer, or a designated representative of the Contracting Officer, in accordance with the terms of the contract. The contractor shall not make disposition of any property except as so directed.

CARE, MAINTENANCE, AND UTILIZATION

1. General

This chapter establishes minimum requirements as to care, maintenance, and utilization of Government property in the possession or control of the contractor. The contractor shall be responsible for the proper care, maintenance, and utilization of Government property in his possession or control from the time of receipt of the property until properly relieved of responsibility in accordance with the contract. The removal of Government property to storage, or its contemplated transfer, shall not relieve the contractor of these responsibilities.

2. Contractor's Maintenance Program

a. Policy. The contractor's maintenance program (which shall be approved in accordance with Chapter 1 of this Guideline) shall be such as to provide, consistent with sound industrial practice and the terms of the contract, for:

(1) disclosure of need for the performance of preventive maintenance;

(2) disclosure and reporting of need for capital type rehabilitation; and

(3) recording of work accomplished under the program.

b. Preventive Maintenance. Preventive maintenance is maintenance generally performed on a regularly scheduled basis to prevent the occurrence of defects and to detect and correct minor defects before they result in serious consequences. An effective preventive maintenance program shall consist of, but not be limited to, the following actions:

(1) inspection of buildings at such periodic intervals as will assure detection of deterioration and the need for repairs;

(2) inspection of equipment at such periodic intervals as will assure detection of maladjustment, wear, or impending breakdown;

(3) regularly scheduled lubrication of bearings and moving parts in accordance with a warranty, lubrication chart, or equivalent plan;

(4) protection from exposure to deteriorating agents;

(5) adjustments for wear, repair, or replacement of worn or damaged parts and the elimination of causes of deterioration of associated parts;

(6) removal of sludge chips, and cutting oils from equipment which will not be used for a period of time; and

(7) proper storage and preservation of accessories and special tools furnished with an item of capitalized equipment but not regularly used with it.

c. Capital Type Rehabilitation. The contractor's maintenance program shall be such as to provide for the disclosure and reporting of the need for major repair, replacement, and other rehabilitation work for Government property in the possession or control of the contractor.

d. Records of Maintenance. The contractor's maintenance program shall provide for records sufficient to disclose the maintenance actions performed and deficiencies discovered as a result of inspections.

3. Utilization of Government Property

The contractor's procedures shall be adequate to assure that Government property will be utilized only for those purposes authorized in the contract.

4. Property in Possession of Subcontractors

The contractor shall require any of his subcontractors having Government property in their possession or control to adequately care for and maintain that property and assure that it is utilized only as authorized by the contract. Procedures necessary to assure the accomplishment of this responsibility shall be included in the contractor's approved property control system.

5. Property Excess to Contract Requirements

Government property which becomes excess to contract performance requirements shall be reported to the Contracting Officer within 30 days. The contractor's excess declaration shall be prepared in the same manner as prescribed in Paragraph 4, Chapter 5 of this Guideline. Disposal of excess property will be directed by the Contracting Officer, or a designated representative of the Contracting Officer, in accordance with the terms of the contract. The contractor shall not make any disposition of such property except as so directed.

PASSAGE OF TITLE TO EQUIPMENT UNDER RESEARCH CONTRACTS

1. General

This chapter covers, to the extent not otherwise provided in the contract or elsewhere in this Guideline, the obligations of the contractor with respect to property acquired with research contract funds, title to which has passed to him. In accordance with the provisions of 42 U.S.C. 1892, the National Park Service is authorized to transfer title to equipment acquired with research contract funds to nonprofit institutions of higher education and to other nonprofit organizations whose primary purpose is the conduct of scientific research. This statutory authority is implemented by express provision in the Special Provisions of contracts with eligible institutions and organizations permitting the Contracting Officer to transfer to the contractor title to equipment acquired with research contract funds at any time during the term of the contract or upon its completion or termination. The Contracting Officer will reserve the right to require the contractor to transfer title of equipment costing \$1,000 or more per unit to the Government, or to a third party named by the Government, at any time prior to final payment under the contract.

2. Conditions of Transfer

a. In research contracts with eligible institutions and organizations, the Contracting Officer may, upon his/her own initiative or upon the request of the contractor, transfer title to equipment at any time during the term of the contract or upon its completion or termination. All transfers of title must be based upon a written determination by the Contracting Officer that transfer with respect to the specific items of equipment is consistent with the best interest of the National Park Service. Until such time as title has been transferred, the property shall be administered and controlled as Government property in accordance with this Guideline.

b. Upon transfer, such equipment ceases to be Government property; however, the transfer of title is subject to the terms and conditions of the contract and this Chapter.

3. Contractor's Obligations

a. Although equipment ceases to be Government property when title to it is vested in or transferred to the contractor, nonetheless the following obligations are attached to the property and the contractor agrees to such obligations by accepting title thereto:

(1) Utilization. The contractor agrees to use the property for the benefit of research under the contract and any extensions or successor contracts thereto and to continue to use such property for the benefit of research of interest to the Government;

(2) Charges with Respect to the Property. The contractor is not permitted to charge for any depreciation, amortization, or use with respect to such equipment under any Government contract, any Government grant, or any subcontract under a Government contract;

(3) Transfer of Title to Government. With respect to each item of equipment having a unit acquisition cost of \$1,000 or more, the contractor's ownership rights are qualified by the contractor's express agreement to transfer title to any such items to the Government, or to a third party designated by the Government, in accordance with any written request therefore issued by the Contracting Officer at any time prior to final payment under the contract;

(4) Control of Property. The contractor shall maintain a property control system which will provide for adequate identification, recording, location, utilization, maintenance, and physical inventory of equipment acquired with contract funds; and

(5) Inventories Upon Completion or Termination. Immediately upon completion or termination of the contract, the contractor shall perform a physical inventory of all contractor-owned equipment acquired with contract funds and having a unit acquisition cost of \$1,000 or more. The inventory shall be performed, prepared, and submitted in the same manner as prescribed in Chapter 5 of this Guideline.

MOTOR VEHICLE MANAGEMENT

1. General

This chapter prescribes policies and procedures for the management of Government-owned or leased motor vehicles in possession of contractors.

2. Definition

"Government-furnished motor vehicles" are National Park Service-owned vehicles, vehicles leased from the General Services Administration Interagency Motor Pool System (GSA-IMPS) and vehicles leased from commercial sources.

3. Policy

a. Government-furnished motor vehicles shall only be provided to contractors when considered essential for performance of the contract work and when approved by the Contracting Officer.

b. Government-furnished motor vehicles shall be maintained and utilized by contractors in the most practical and economical manner consistent with National Park Service program requirements, safety considerations, fuel economy, and applicable laws and regulations.

c. Federal and Department of the Interior Property Management Regulations 41 CFR, 101-38, 114-38, 101-39, and 114-39, and National Park Service Special Directives 82-11 (Policy on Use of Government-owned or Leased Motor Vehicles) and 82-13 (Servicewide Vehicle and Motorized Equipment - Fleet Management) contain the requirements for management of Government-owned or leased motor vehicles. Contracting Officers shall apply the applicable provisions therein in their management of contractors' motor vehicle operations.

d. Normally, motor vehicles will not be furnished to fixed-price contractors.

e. Prior approval of GSA must be obtained before:

- (1) Fixed-price contractors can use the GSA-IMPS; and
- (2) National Park Service-owned vehicles can be furnished to any contractor located in an area serviced by the GSA-IMPS.

4. Classification of Motor Vehicles

Because of differences in controls and/or limitation on use, Government vehicles are classified as follows:

a. Passenger vehicles

- (1) Sedans and station wagons
- (2) Ambulances
- (3) Buses

b. Trucks

- (1) Light 4x2 and 4x4, less than 8,500 GVWR (Gross Vehicle Weight Rating)
- (2) Light 4x2 and 4x4, 8,500 to 12,499 GVWR.
- (3) Medium, 12,500 to 23,999 GVWR
- (4) Heavy, 24,000 GVWR or larger.

5. Acquisition of Motor Vehicles

a. The acquisition of motor vehicles must be in accordance with FPMR 101-26.501 and IPMR 114-26.501(41 CFR).

b. GSA has the responsibility for procurement of all motor vehicles for Government agencies.

c. Contractors shall submit vehicle requirements to the Contracting Officer for approval.

d. The acquisition of passenger vehicles is subject to the limitations of IPMR 114-26.501-51, -52, and -53.

e. Motor vehicle requisitions (GSA Form 1781) shall be processed in accordance with the references in paragraph "a" above and forwarded to the Washington Office for subsequent submission to GSA.

f. Contractors shall thoroughly examine motor vehicles acquired from GSA for defects. Any defect shall be promptly reported to GSA in accordance with 41 CFR 101-26.501-6(b). Repairs shall be made under the terms of the warranty.

6. Official Legend and Agency Identification

a. Department of the Interior (DOI) license tags shall be displayed on all National Park Service-owned vehicles. License tags for vehicles acquired from the GSA-IMPS will be provided by GSA.

b. DOI and NPS identification markings shall be displayed on all Government-owned vehicles in accordance with FPMR 101-38.4 and 101-38.4903 and IPMR 114-38.4. Requests for deviations from these regulations shall be justified and submitted to the Contracting Officer for review and subsequent submission to the Department for approval.

7. Use of the GSA Interagency Motor Pool System

a. When authorized by the Contracting Officer, contractors may use the services of the GSA-IMPS.

b. Contracting Officers shall apply the provisions of the Federal Procurement Regulation, Subpart 1-5.5 when approving the use of service from the GSA-IMPS.

8. Official Use of Motor Vehicles

a. Contracting Officers shall insure that Government-owned or leased motor vehicles are used solely in performance of work authorized under the contract.

b. The official use of motor vehicles shall be in accordance with the provisions of FPMR 101-39.6 IPMR 114-38.50 and NPS Special Directive 82-11.

9. Maintenance

a. Contractors shall maintain Government-owned or leased vehicles in accordance with manufacturer's specifications and terms of the warranty.

b. A DI-120 "Operator Record" shall be maintained in a current status in accordance with NPS Special Directive 82-13.

c. A preventive maintenance program shall be designed and implemented in accordance with FPMR 101-38.10 and IPMR 114-38.10

10. Disposition of Motor Vehicles

The contractor shall dispose of Government-owned or leased motor vehicles as directed by the Contracting Officer.

11. Required Motor Vehicle Reports

a. Contractors shall submit the following fiscal year end reports of Government-furnished vehicles to the Contracting Officer:

- (1) Agency Report of Motor Vehicle Data (SF 82); and
- (2) Mileage in accordance with NPS Special Directive 82-13.

b. Information on preparation and submission of the reports shall be furnished by the Contracting Officer.

CONTRACT CLOSURE

1. Actions by the Contracting Officer

a. Upon completion or termination of a contract, the Contracting Officer must monitor the actions of the contractor and the Government with respect to the return, transfer, or other disposition of Government property. Prior to closing the contract, the Contracting Officer shall determine that:

(1) All Government property provided under the contract has been properly accounted for;

(2) Disposition of Government property has been properly accomplished and documented;

(3) Adjustment documents, including requests by the contractor for relief from responsibility, have been processed to completion;

(4) Proceeds from disposals or other property transactions, including adjustments, have been properly credited to the contract or paid to the Government as directed by the Contracting Officer;

(5) All questions as to title to property, fabricated or acquired under the contract, have been resolved and appropriately documented; and

(6) A contract property control file is complete and ready for retirement. This file includes all Government property documentation incurred during the contract and the official property records maintained by the contractor.

b. Upon completion of the above actions the property control file shall be annotated accordingly and retired with the contract file.

[illegible]

DISPOSAL CONDITION CODES

The appropriate disposal condition code from the table below shall be assigned to each item record, report or listing of excess personal property in possession of contractors.

Disposal condition code	Brief definition	Expanded definition
1 Unused—good	Unused property that is usable without repairs and identical or interchangeable with new items from normal supply sources.	Unused property that is usable without repairs and identical or interchangeable with new items from normal supply sources.
2 Unused—fair	Unused property that is usable without repairs, but is deteriorated or damaged to the extent that utility is somewhat impaired.	Unused property that is usable without repairs, but is deteriorated or damaged to the extent that utility is somewhat impaired.
3 Unused—poor	Unused property that is usable without repairs, but is considerably deteriorated or damaged. Enough utility remains to classify the property better than salvage.	Unused property that is usable without repairs, but is considerably deteriorated or damaged. Enough utility remains to classify the property better than salvage.
4 Used—good	Used property that is usable without repairs and most of its useful life remains.	Used property that is usable without repairs and most of its useful life remains.
5 Used—fair	Used property that is usable without repairs, but is somewhat worn or deteriorated and may soon require repairs.	Used property that is usable without repairs, but is somewhat worn or deteriorated and may soon require repairs.
6 Used—poor	Used property that may be used without repairs, but is considerably worn or deteriorated to the degree that remaining utility is limited or major repairs will soon be required.	Used property that may be used without repairs, but is considerably worn or deteriorated to the degree that remaining utility is limited or major repairs will soon be required.
7 Repairs required—good	Required repairs are minor and should not exceed 15 percent of original acquisition cost.	Required repairs are minor and should not exceed 15 percent of original acquisition cost.
8 Repairs required—fair	Required repairs are considerable and are estimated to range from 16 percent to 40 percent of original acquisition cost.	Required repairs are considerable and are estimated to range from 16 percent to 40 percent of original acquisition cost.
9 Repairs required—poor	Required repairs are major because property is badly damaged, worn or deteriorated, and are estimated to range from 41 percent to 65 percent of original acquisition cost.	Required repairs are major because property is badly damaged, worn or deteriorated, and are estimated to range from 41 percent to 65 percent of original acquisition cost.
X Salvage	Property has some value in excess of its basic material content, but repair or rehabilitation to use for the originally intended purpose is clearly impractical. Repair for any use would exceed 65 percent of the original acquisition cost.	Property has some value in excess of its basic material content, but repair or rehabilitation to use for the originally intended purpose is clearly impractical. Repair for any use would exceed 65 percent of the original acquisition cost.
S Scrap	Material that has no value except for its basic material content.	Material that has no value except for its basic material content.

